



PROOF Smart Tags

The world's first computerized license plate

Presented to: The State of Michigan Department of Transportation

Rachel Hankerson

International PROOF Systems, LLC

June 18, 2015



PROOF Smart Tags – Exec Summary

- Utilizing Internet of Things (IoT) technology, PROOF Smart Tags is a universal system (h/w & s/w) that **identifies** and **validates** vehicle registration and insurance **without a traffic stop**.
- The PROOF Smart Tags system **bridges the infrastructures** of state government registration departments, insurance companies and law enforcement agencies.
- By eliminating disconnected and antiquated paper systems, PROOF Smart Tags has the potential to **increase compliance and save billions** every year.

What's the Big Problem?

Department of Motor Vehicles

Antiquated paper-based registration system that results in millions of:

- Unregistered vehicles
- Uninsured motorists
- Inability of law enforcement to track or identify vehicles in case of emergency, or validate registration/insurance without a traffic stop.



Total number of Vehicle Registration for the State of Michigan

Year	Annual Registration	3 Year Registration	5 Year Registration	10 Year Registration	Permanent Registration	Total Registration
2014	7.7M	46K	101K	74K	692K	8.6M
2015	7.8M	34K	102K	73K	748K	8.7M

To my understanding, Michigan has 7.4 M registered vehicles, however:

- 2014 Michigan reflected 8.6 M registered vehicles
- 2015 Michigan's Annual Registrations has exceeded the number of registrations compared to 2014 and we are only half-way through the year

PROOF Smart Tags would provide Michigan with:

- A modern system that provides accurate, current, and secured statistical data in real time.
- Increase in Revenue
- Reduction in operational cost, by eliminating printed adhesive registration
- Reduce 14 day processing fee
- Allow DMV to communicate directly with license plates

Gus Harris Facility – License Plate Manufacture

Vehicle Registration Stickers

Current	Proposed Solution	Cost Savings over 5 Years
Adhesive Tags	PROOF Smart Tags	
	\$0.00	

License Plates

Current	Proposed Solution	Cost Savings over 5 years
License Plate	PROOF Smart Tags	
	\$100	

What is the Big Problem?

Unregistered Vehicles

Benefits of PROOF Smart Tags	Number of unregistered vehicles in 2014	Average loss in 2014 for Vehicle Registration
California	4.8 M	\$720M
Michigan	?	?
Missouri	2.2 M	\$330 M

NOTE: PROOF Smart Tags would be able to provide Michigan with real time statistics to confirm the amount of revenue that the state is losing on an annual basis.

What is the Big Problem?

Uninsured Motorists

Accidents caused by uninsured and non registered vehicles cost insured motorists billions of dollars

Benefits of PROOF Smart Tags	Total number of registered motor vehicles In 2014	Percentage of uninsured motorists	Number of uninsured motorist	Average loss
California	38.3 M	14%	5.3 M	\$3.1 B
Michigan	8.6 M	21%	1.8M	\$1.0 B
Missouri	6.2 M	13%	806 K	\$484 M

NOTE: Assumes an average loss of \$600 on insurance policies. As you can see Michigan's insurance companies are losing \$1.0 B on an annual basis. PROOF Smart Tags plans on allot a percentage of the funding received from insurance towards the support of state DMV.

What is the Big Problem?

Difficulty Tracking/Validating Vehicles



What is So Unique About PROOF Smart Tags?

The Internet of Things Meets the Bumper

- Identifies a registered/insured vehicle without a traffic stop.
- Connecting DMV, AI, and LE
- Replaces paper registration and insurance cards with a secure, connected system that works for everyone

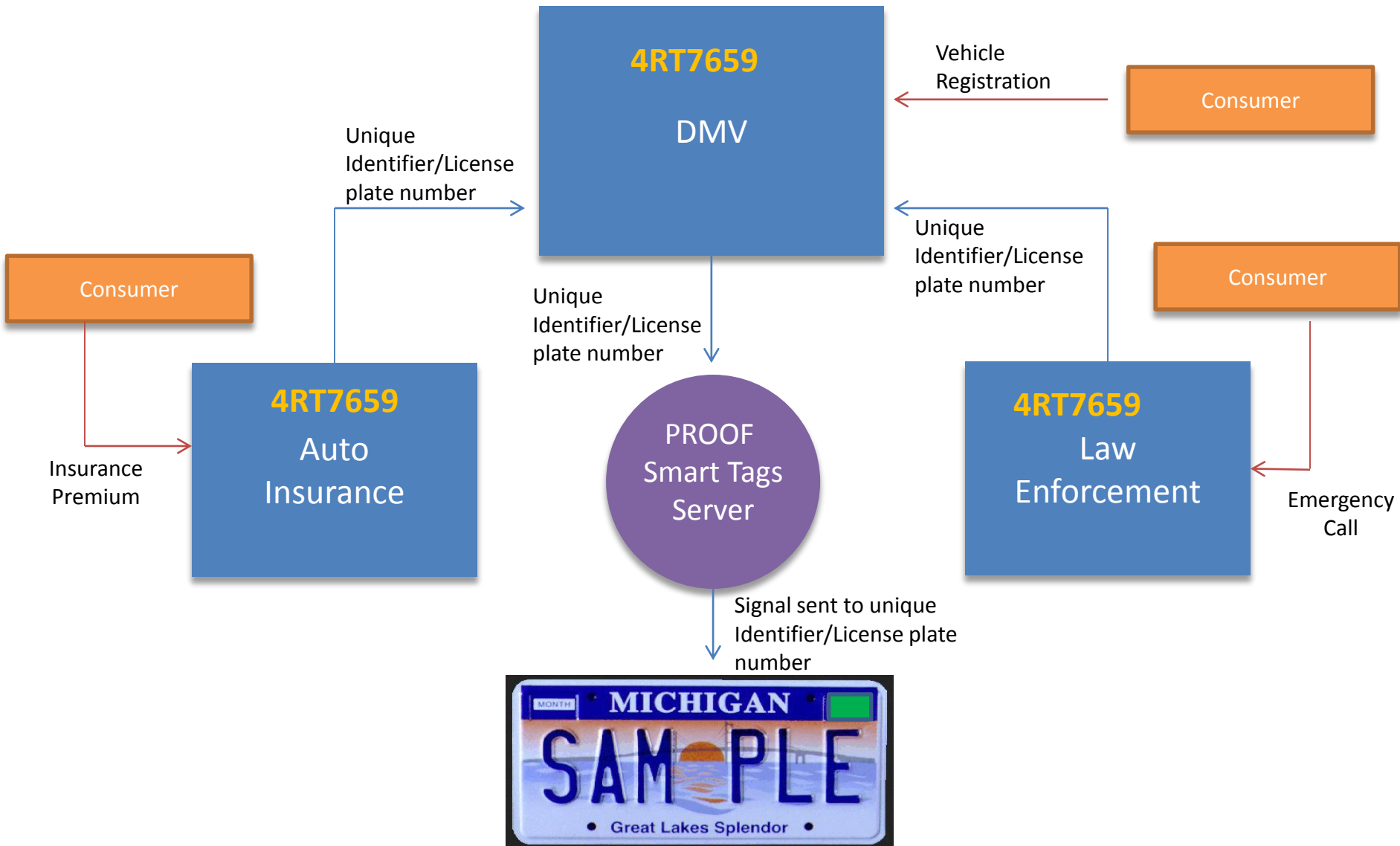


Paper Tag



Digital Tag

How It Works



What Makes Us Different?

- PROOF Smart Tags – First to patent
- Operable in all weather conditions
- Bridges the infrastructure between the DMV, AI, and LE
- Universal system
- No scanning
- No retention of data
- Secure, safe, and user friendly



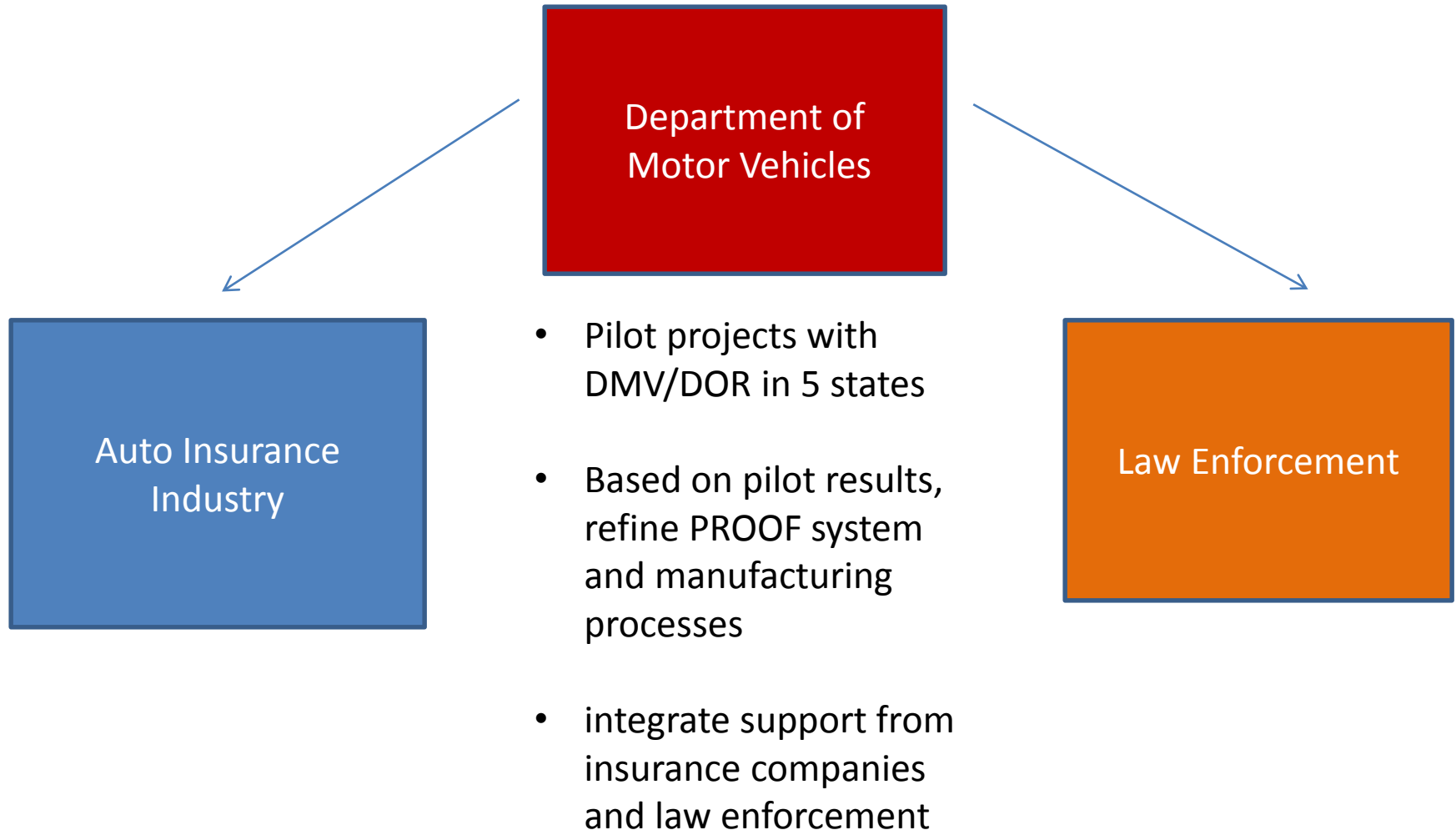
How Big Is the Market?

280 Million Registered Vehicles in the United States

States	Total number of registered motor Vehicles	Forecast for number of insured/registered vehicles 2018	\$5 service fee to DMV on EACH registered vehicle/year	\$5 Service Fee auto insurance company per vehicle/year	Cost per computerized license plate @ \$100/plate (1x fee)
California	38.3 M	32.5 M	\$162.5 M	\$162.5 M	\$3.8 B
Michigan	8.7 M	7.6 M	\$38 M	\$38 M	\$870 M
Mississippi	2.0 M	1.69 M	\$8.4 M	\$8.4 M	\$169 M
New Mexico	1.8 M	1.50 M	\$7.5 M	\$7.5 M	\$150 M
Missouri	6.2 M	6.02 M	\$30 M	\$30 M	\$602 M

Note: This chart just shows 5 states. The PROOF Smart Tag system can work in all 50 states as well as internationally.

3 Keys for Go to Market Strategy



A Business Model that Provides Value to All Stakeholders

State Departments of Motor Vehicles

- Increases compliance
- Brings registration system into 21st century with IoT technology
- ROI in the billions

Auto Insurance Companies

- Increases compliance
- Saves billions by eliminating uninsured motorists
- More efficient system saves costs

State and Local Law Enforcement Agencies

- Validates registration and insurance without a traffic stop
- More secured system
- Saves time, increases productivity, cuts costs—frees officers to concentrate on real police work
- Easy access
- User Friendly

Target Customers Year 1-5

Prospective Early Adopters who have expressed interest in pilot programs

- **Missouri**
- **California**
- **Michigan**
- **New York**
- **New Jersey**
- **Iowa**
- **Florida**

Stakeholders who have expressed interest

- **State Legislators**
- **Auto Insurance Companies**
- **Consumer**
- **Law Enforcement Agencies**

Competitors

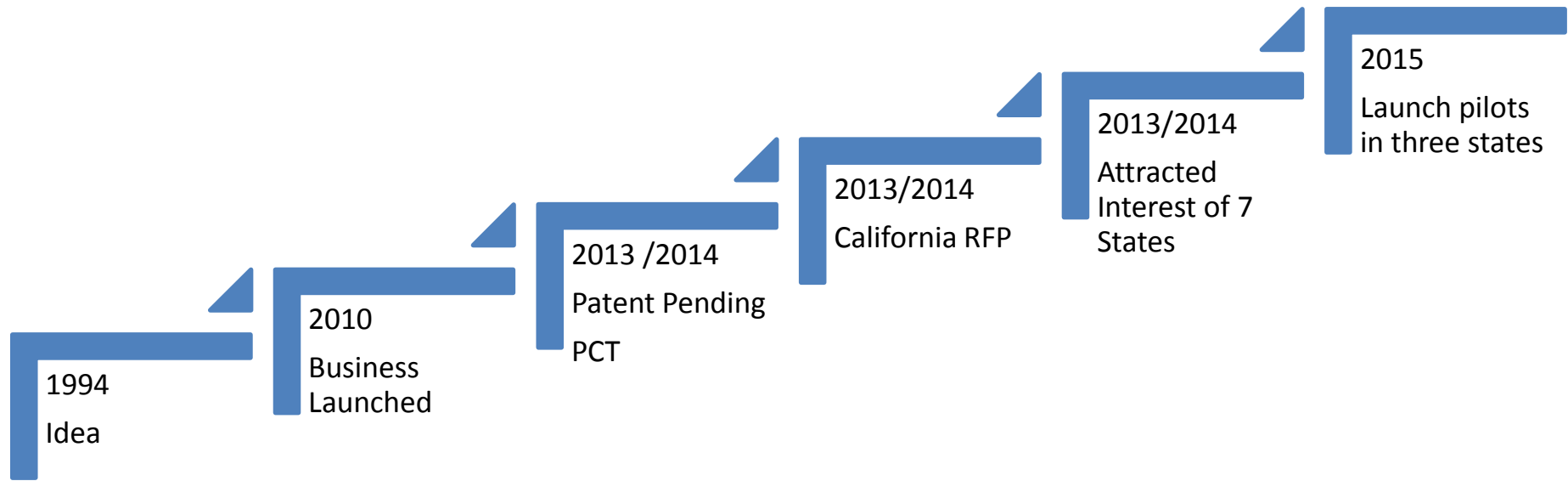
Compliance Innovation

- E-paper has very low refresh rate
- A shadow may appear after refreshing
- The consumer is the driving force to auto insurance and vehicle registration
- Does not bridge the infrastructure between the Auto Ins Industry; DMV; and Law Enforcement
- Not a universal system

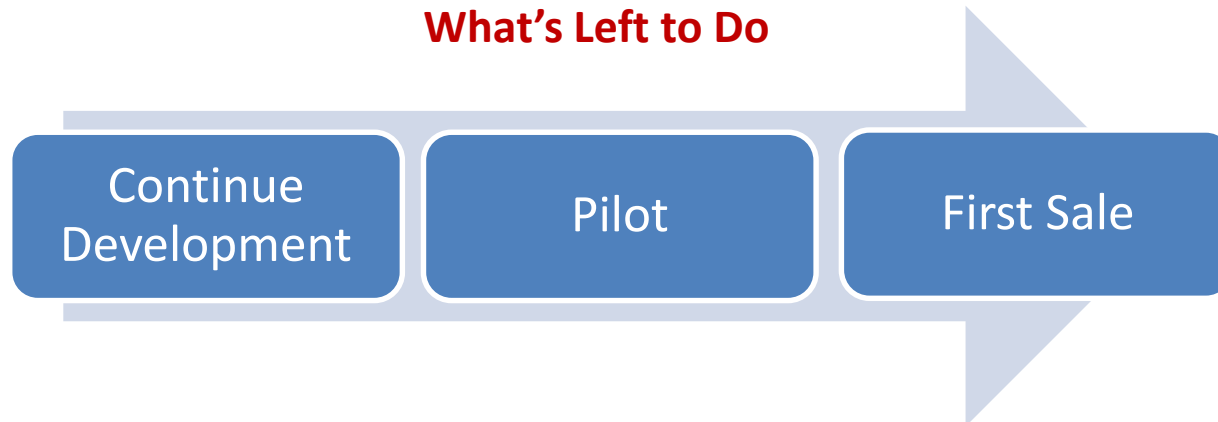
Smart Plate Mobil

- A video system that tracks license plates; focused on crime prevention
- Primary focus is to share information between law enforcement agencies
- Camera launched in specific locations, doesn't cover every geographical location

Status & Timeline



What's Left to Do



Management Team

Rachel Hankerson

Founder and CEO

17 + years of experience in Business Development and Systems Analysis

Jeff Brown

Design and Development, GruppeB USA

25+ years of Product Design and Development

Charles McCloskey

Chief Counsel

20+ Years in Law, Engineering, and US Army

The Big Ask

Requesting the State of Michigan to partner with International PROOF Systems, LLC to embark upon the new technology of PROOF Smart Tags:

- Legislation
- Pilot
- Adoption

Contact information: Rachel Hankerson

911 Washington, Suite 657

St. Louis, MO 63101

314-452-6880

RachelHankerson@InternationalPROOFSystems.com



Q & A

International PROOF Systems, LLC
PROOF Smart Tags

